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## Today's News Thursday, March 25, 2010

### Mount Sinai Bid for St. Vincent's

Mount Sinai Medical Center is in talks with St. Vincent's Hospital to save the Greenwich Village facility. There have been no decisions yet about how a deal would be structured, or about which elements of St. Vincent's would survive. Mount Sinai is now performing due diligence on the hospital; it has until April 30 to make a decision. It may decide that some sort of partnership is feasible, or it may pass on a deal. Two key issues are St. Vincent's current debt and the poor physical condition of the facility. A bond may be issued to raise capital. It is far too soon to cast Mount Sinai in the role of white knight, but there is some sense of optimism at this point. Representatives of St. Vincent's and Mount Sinai did not return calls for comment.

### Steven Cohen Donates \$50M to NS-LIJ

Schneider Children's Hospital has a new name. The North Shore-Long Island Jewish Health System will announce today that the Steven A. and Alexandra M. Cohen Foundation pledged \$50 million for its pediatric hospital in New Hyde Park, L.I. Schneider will be renamed the Steven and Alexandra Cohen Children's Medical Center of New York. One of the world's wealthiest hedge fund managers, Mr. Cohen is the founder of SAC Capital Advisors in Stamford, Conn. His donation, one of the largest single gifts to the system, will let the hospital move ahead with plans to build a 100,000-square-foot pavilion in front of the existing facility. The nearly \$120 million project has been on hold since December 2008 because of the economic downturn. Construction is set to begin this spring and to be completed in 2013. The new pavilion will have the region's first dedicated, stand-alone pediatric emergency department, as well as a 24-bed pediatric ICU and a 25-bed medical-surgical unit.

### Primary Care Analysis

Primary care advocates issued a new report asserting that New York state could save \$10 billion annually by bringing hospitalization statistics down to the national average and by reducing nonemergency ER usage. New York spends an estimated \$100 billion to \$110 billion a year on chronic diseases such as diabetes, heart disease and asthma, and \$1 billion annually on nonemergency ER visits. Some 5 million people live in communities without ready access to primary care, and the state ranks third-lowest in the nation in Medicaid fees paid to primary care physicians. To improve that bleak primary care picture, the report recommends that the state boost Medicaid payment for primary care visits to the Medicare rate. It also recommends building into Medicaid rates the costs of adopting electronic health records and of establishing payments for care management and medical home services. The Primary Care Coalition's report is online at [www.nyprimarycarehome.org](http://www.nyprimarycarehome.org).

## Employers assess federal reform, health benefits

New York employers are trying to make sense of both the impact of federal reform and shifting trends in costs and benefit designs. At a recent meeting with New York area employers, Mercer fielded many questions on those topics.

Benefits executives wanted to know more about the tax on Cadillac plans.

"There was a lot of head-nodding from the crowd," says Mercer's Barry Schilmeister, a partner in the consulting firm's New York office. "It wasn't a sense of *if* you were going to be involved, but *when*."

Executives were also concerned about federal oversight of insurers' rates, and how to alter benefit plan designs to reflect new coverage for pre-existing conditions. And local employers were uncertain about how changes to Medicare would affect their retiree packages. Many companies have made Medicare Advantage plans "cornerstones of their retirement programs," Mr. Schilmeister says.

Mercer's analysis for employers of the new reform measures is available online; visit [www.mercer.com](http://www.mercer.com) and click on the bolded word *chart* in the first paragraph.

Reform aside, Mr. Schilmeister reports that wellness programs are gaining popularity as "cost-shifting and higher deductibles have reached a level where [employers] are reluctant to push that out further." Some 70% of large employers now offer access to health risk assessments. The tool is particularly helpful in identifying co-morbid conditions—such as obesity, diabetes or smoking—for employees with high claim costs.

## At A Glance

**BUDGET:** The Assembly's budget resolution released yesterday would eliminate the 2010 Medicaid trend factor (as does the state Senate's version) for hospitals, nursing homes and home care. It would increase the hospital gross receipts tax, the nursing home assessment and the home health tax, but treats the increases as "reimbursable costs" under Medicaid (the Senate rejected the tax hikes entirely). The Assembly rejected a proposed nursing home regional pricing methodology. It also revised a proposed bad-debt and charity-care cut for hospitals to restore 60% of the funding. The cut now adds up to \$54.9 million for 2010 and \$73.2 million in 2011 and later. The Assembly rejected a soda tax and a cap on personal care services but, unlike the Senate, accepted a tobacco tax increase and prior approval of premium rate increases.

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